

**Alternative Power and Energy Grant Program
Application Package
Energy Policy Division,
Indiana Department of Commerce**

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Thank you for your interest in the Alternative Power and Energy Grant Program. This program is designed to enable businesses and institutions to install and study alternative and renewable energy system applications in areas such as power generation, heating and cooling, and waste-to-energy. This program replaces all non-transportation applications of the Energy Policy Division's previous Alternative Energy Systems Grant Program.

Applicants should complete the program application form and submit the original and four (4) copies to the Energy Policy Division. A review committee will evaluate each application that is received and determine funding eligibility.

Before beginning your application, please read the grant guidelines carefully. These guidelines describe the criteria used to evaluate applications and explain the grant approval process. Please contact the Energy Policy Division if you have questions. If an applicant is not selected to receive funding, they are eligible to resubmit their application for future consideration. Applicants may apply for more than one grant, but the total each receives may not exceed \$10,000. Applicants are not eligible for any other EPD grant program during the term of the grant. The applicant will be notified within approximately six weeks as to the status of their application. Application materials will not be returned to the applicant.

Please complete all sections of this application and return it to the address below.

Alternative Power & Energy Program
Indiana Department of Commerce
Energy Policy Division
One North Capitol, Suite 700
Indianapolis, IN 46204-2288
1-800-382-4631
(317) 232-8940
Fax: (317) 232-8995

**Alternative Power and Energy Grant Program
Application Guidelines
Energy Policy Division,
Indiana Department of Commerce**

Please read these guidelines carefully before submitting an Alternative Power and Energy (AP&E) Grant Program application. These guidelines describe preferred projects, grant funding formulas, the grant approval process, and specific information needed in an application.

Eligible Applicants

Businesses, non-profit institutions, and units of local government (including public schools) are eligible to apply for AP&E grants. Applicants must either be resident in the State of Indiana or conduct operations within the State of Indiana.

When funds are requested for building improvements in leased space, the building owner must submit the application, and all leaseholders must submit a Lessee Application Attachment (included in this packet).

Eligible Projects, Expenses, and Matching Requirements

Eligible projects include non-transportation applications of solar (active and passive), photovoltaic, wind, geothermal, hydropower, alcohol fuels, waste-to-energy, and biomass technologies. These applications may be applied to the direct generation of electricity (for either on-site use or placement of power onto a utility grid), heating and/or cooling of buildings, or the production of fuels. All projects and associated installations must occur within the State of Indiana.

Eligible projects will apply commercially available technologies. Grants under this program will not be awarded to fund research projects.

Grant amounts are available up to a maximum of \$10,000, but no less than \$1,000. Grant amounts are determined according to the following formulas:

1. Where the cost of an alternative power or energy system is higher than a conventional system, grants may be awarded equal to either 80% of the cost differential or 20% of total project cost, whichever is higher, up to \$10,000.
2. Where the cost of an alternative power or energy system is equal to or lower than a conventional system, grants may be awarded equal to 20% of total project costs, up to \$10,000.
3. Where there is no conventional equivalent to an alternative power or energy system, grants may be awarded equal to 30% of total project costs, up to \$10,000.

Funds awarded under this program may only be applied toward the direct costs of purchasing and installing alternative power and energy system equipment. Other associated costs (such as engineering studies, system design, site preparation, storage facilities, building improvements, etc.) may, however, be included in the total project cost used to determine the amount of the AP&E award.

Applicants may apply for more than one grant, but total award amounts may not exceed a total of \$10,000. When grants are made for leased property improvements, a maximum of three lessees per lessor may be awarded grants.

Participants

Where appropriate, applicants are encouraged to enter into joint projects with multiple participants. Other participants may include businesses, units of government, industry councils or trade associations, utilities, and regional development organizations. Applicants should identify all partners in projects applying for AP&E grants and should document support from partners with letters of support or memoranda of understanding. Partnerships should provide expertise, leadership, and/or financial commitments to projects. The participation of multiple partners in projects will enhance an applicant's likelihood of grant approval.

Financial Profile

Applicants will be required to submit documentation that they can meet their financial obligation for the project for which funding is requested. This documentation might include a commitment letter from the applicant's banker or loan officer, or financial information from the applicant's own internal fiscal officer.

Evaluation Criteria

Applications will be evaluated based on the four criteria described below. Successful applications will be those that respond most fully to these criteria.

1. Project soundness. Applicants should demonstrate that the proposed project is appropriate and technically feasible. Applicants should demonstrate the availability of appropriate fuel or energy inputs into the proposed system, such as square footage available for solar or geothermal systems, or feedstock availability for biomass and waste-to-energy projects. Applicants should also demonstrate that the proposed project is economically sound. Applications should estimate the energy cost savings of the project. Projects should have an investment payback no longer than the anticipated life of the system to be installed. Shorter cost-payback periods will receive higher scores. The project must be cost-effective and contribute to the

competitiveness of the company. Because the State of Indiana makes grant payments in arrears, applicants should demonstrate their ability to make full payment of project costs before reimbursement by the state. Applicants should submit written estimates of costs from service or equipment providers and/or documentation of the costs of comparable technology applications.

2. Fuel and Energy Savings. Applicants should demonstrate that the proposed project will result in a decrease in the consumption of fossil fuel (such as oil, propane, or natural gas) and/or electricity. Applications should include projections of conventional fuel or energy savings. Projections should be documented, where appropriate, with past fuel usage from utility bills and technical specifications of the new energy system to be installed. Please attach any additional pages to the application as necessary to document fuel and energy savings benefits.
3. Environmental Effect. Successful projects should be those that, at a minimum, cause no environmental harm, and that, ideally, confer significant environmental benefits. Alternative energy technologies should improve air quality through reduced emissions of pollutants and reduced greenhouse gases. Applicants should describe how the project will contribute to improving the environment of Indiana through pollution reduction or prevention, or through the use of renewable fuels. Where appropriate, applicants should demonstrate that the use of feedstock fuels (such as methane and biomass) confers environmental benefits through reductions in greenhouse gases or landfill diversion. Where relevant, applicants should document that they have obtained all applicable environmental permits. Failure to comply with relevant federal, state, and/or local environmental laws or regulations may result in the rejection of an application.
4. Economic Development. Applicants should describe how the project will facilitate economic development in Indiana. This may be demonstrated, for example, by the creation of new jobs, increased productivity, cost-of-business savings to the applicant, or support of Indiana business and industry. Projects that contribute to the retention and addition of employment, improve wage levels, and increase productivity are preferred. Business applicants should provide background information on the business's history and prospects. Consideration is given to the level of commitment to and the effect on alternative energy use in Indiana.

In addition to the information required of all applicants, the Energy Policy Division may request additional information to help evaluate the application.

Environmental and Tax Compliance

All applicants must comply with all applicable federal, state, and local environmental laws and regulations. Copies of the cover sheet of all applicable permits must be provided with the application. If implementation of the project will require new permits

or changes in existing permits, a full description must be provided. Failure to comply with federal, state, and/or local environmental laws and/or regulations may result in the rejection of the application. All applicants must also be in good standing with the Indiana Department of Revenue. EPD will conduct compliance inquiries with relevant state agencies before applications are approved.

Confidential Information

To the extent feasible and permissible by law, EPD will honor an applicant's request that confidential information submitted remain confidential. EPD will treat information as confidential only if (i) the information is in fact protected confidential information, such as trade secrets or privileged or confidential commercial or financial information, (ii) the information is specifically marked or identified as confidential by the applicant, (iii) the information is segregated and placed in a separate appendix to the application, and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of EPD to disclose the details and results of the project to the general public.

Application Process and Receipt of Funds

The application and award processes for AP&E grants are as follows:

1. Applicant submits a completed application for review. When incomplete applications are received, applicants will be contacted by EPD and requested to provide further information.
2. Application is approved or rejected by the Energy Policy Division. Applications are evaluated on an as-received timetable. Complete applications are typically approved or rejected within four weeks of receipt.
3. Commitment letter sent to company by EPD. Successful applicants receive a letter stating EPD's intention to award the grant. Grantees may begin to accrue project expenses at this time, but no grant funds will be disbursed until completion of a fully executed contract. If for some reason a contract is not completed, the applicant is responsible for any costs already incurred.
4. EPD prepares a contract for carrying out the grant. The contract specifies the work to be performed and/or equipment to be installed, energy savings expectations, reporting requirements, and other conditions for eligibility required by Indiana law. Grant recipients are required to complete quarterly and final reports describing progress toward the contracted goals. Preparation of the contract typically requires about four weeks.

5. The contract is sent to the recipient. The contract is sent to the grant recipient for inspection and signature. The recipient returns the signed contract to EPD for execution.
6. The contract is signed by other state agencies before going into effect. Only contracts that have been signed by all relevant state authorities will go into effect. Securing these signatures usually requires four to six weeks. Funds cannot be disbursed before complete execution of the contract. A copy of the executed contract will then be sent to the recipient when it is completed.
7. Initial grant funds disbursed. A grant account is established and claims may be submitted for reimbursement through EPD. Initial payments may not exceed 70% of the total grant award. Only costs incurred - as evidenced by an invoice and submitted after the final execution of a grant contract - are eligible for funding.
8. Project verification. After final execution of the contract, EPD staff will conduct an initial site visit to verify progress on the project. Over the next several months, the recipient will conduct record keeping and submit progress reports as required by the grant contract. Approximately six months after the initial payment of grant funds by EPD, a second site visit will be conducted to verify continued progress.
9. Final grant funds disbursed. After two successful site visits and the submission of two quarterly reports, the final 30% of grant funds will be awarded.

Completing the Application

Applicants should provide answers in all of the sections of the application form. Incomplete applications and unclear or superficial answers may delay consideration of an application. Provide complete documentary materials (e.g. cost estimates, technical specifications) where appropriate. Documenting cost estimates is especially important. Appropriate documentation includes bids or estimates from vendors and contractors, as well as equipment catalog listings. Undocumented project cost estimates may result in delays or rejection of applications. Energy and cost savings estimates must be included in the application for consideration.